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SUBJECT: AUSTRALIAN POLITICAL ROUNDUP 2008-6

REF: PERTH 27

Classified By: Acting Political Counselor John Crowley, for reasons 1.4
(b) and (d).

HIGH STAKES BY-ELECTION IN VICTORIA

¶1. (C/NF) The National Party's federal director, Brad Henderson (protect), told us today that the June 28 by-election for the federal parliamentary seat of Gippsland, in Victoria, is "high stakes stuff" for the Liberal-National Coalition. A bad result for the Coalition would further destabilize Opposition Leader Brendan Nelson's leadership, and fuel talk of the National's long-term viability. Henderson said the Australian Labor Party (ALP) had increased its activity in the seat in the last two weeks and it would not surprise him if Prime Minister Kevin Rudd visited this weekend. Although Henderson said the campaign was close, most observers believe the National Party will retain the seat.

WA LIBERAL LEADER SURVIVES AGAIN AS GAS CRISIS SPARKS ELECTION FEVER

¶2. (SBU) Western Australian (WA) Liberal Party Leader Troy Buswell survived a second leadership challenge this week. The parliamentary "spill" motion to replace Buswell lost by a 21-8 vote of the state Liberal Party parliamentary caucus. To make matters worse, former Leader Paul Omodei, who lost the leadership to Buswell in January, resigned from parliament on June 19. Meanwhile Premier Alan Carpenter took to the streets of Perth on June 18 to promote his leadership in the wake of the Varanus gas explosion (reftel). Since the June 3 gas explosion, Carpenter has side-lined his mediocre Energy Minister Fran Logan and chaired crisis meetings with resources industry executives and government officials, earning him new respect as a leader. Carpenter's success as a crisis manager, and the Liberal Party's woes are strengthening the ALP's already-good prospects in the state election due by early 2009.

BALANCE OF POWER IN NEW SENATE

¶3. (C/NF) Queensland Liberal Party Senator Brett Mason (protect) told us June 18 that although the Coalition will lose its Senate majority July 1, it will need only one more vote to block legislation. With 37 Coalition senators, and 37 ALP and Green senators, the ALP will need both Family First Senator Steve Fielding and in-coming South Australian independent Senator Nick Xenophon to pass legislation, Mason said. He noted that both Fielding and Xenophon were "conservatives," although he thought the Senate would generally work constructively with the Rudd Government. Like Rudd, Fielding and Xenophon both favor limiting gambling and binge drinking and the two senators believe WorkChoices went too far.

THE NEW GOVERNMENT IN TASMANIA

¶4. (C/NF) Tasmanian ALP MP Julie Collins (protect) told poloffs this week that she thought new Premier David Bartlett

had started well. Although inexperienced, he was bright and a quick study. Since he did not come from the union movement, like the former, unpopular Premier Paul Lennon, it was easier for him to portray his government as a fresh start for the ALP. Collins said Bartlett was not as supportive of the Gunns pulp mill as Lennon had been. For example, she pointed out, no money had been allocated in the new state budget for the infrastructure improvements Lennon had promised Gunns.

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